



United States Attorney's Office
District of Columbia

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**FINANCIAL FRAUD ENFORCEMENT TASK FORCE ANNOUNCES
THE INDICTMENT OF D.C.-AREA MORTGAGE FRAUDSTERS
IN CONNECTION WITH "OPERATION STOLEN DREAMS"**

Washington, D.C. – Following an announcement today by Attorney General Eric Holder in Washington, D.C. regarding Operation Stolen Dreams, a nationwide takedown that targeted mortgage fraud throughout the country, representatives of the Financial Fraud Enforcement Task Force in the District of Columbia, including U.S. Attorney Ronald C. Machen Jr., Daniel S. Cortez, Inspector in Charge, Washington Division, U.S. Postal Inspection Service, Kenneth M. Donohue, Inspector General of the U.S. Department of Housing & Urban Development, and Commissioner Gennet Purcell of the District of Columbia Department of Insurance, Securities and Banking, announced today the indictment of Renaldo D. Gillis and Afolasade Orekoya with regard to their organization and perpetration of an extensive mortgage fraud “flipping” scheme based in the District of Columbia.

The national takedown was organized by President Obama’s interagency Financial Fraud Enforcement Task Force, which was established to lead an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. Starting on March 1, to date Operation Stolen Dreams has involved 1215 criminal defendants nationwide, including 485 arrests, who are allegedly responsible for more than \$2.3 billion in losses. Additionally, to date the operation has resulted in 191 civil enforcement actions which have resulted in the recovery of more than \$147 million.

“Mortgage fraud ruins lives, destroys families and devastates whole communities, so attacking the problem from every possible direction is vital,” said Attorney General Holder. “We will use every tool available to investigate, prosecute, and prevent mortgage fraud, and we will not rest until anyone preying on vulnerable American homeowners is brought to justice.”

U.S. Attorney Ronald C. Machen Jr. added, “Home ownership is an integral part of the American dream, and today we send a clear message to those who seek to shatter that dream: You will be held accountable for your criminal conduct. Combating mortgage fraud is one of our office’s top priorities. We are committed to rooting out mortgage fraud schemes and aggressively investigating and prosecuting those who seek to profit illegally to the detriment of our homeowners, our lending institutions, and our communities.”

U.S. Postal Inspector in Charge Cortez further noted that “Postal Inspectors are determined to pursue mortgage fraudsters and any other criminals who abuse the trust in the US Mail to further their fraud schemes for their own financial gain.”

Unlike previous mortgage fraud sweeps, Operation Stolen Dreams focused not only on federal criminal cases, but also on civil enforcement, recovering money for victims, and increasing cooperation with state and local partners.

The President’s Financial Fraud Enforcement Task Force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. For more information on the task force, visit StopFraud.gov.

An example of the success of Operation Stolen Dreams includes yesterday’s indictment in United States v. Renaldo D. Gillis & Afolasade Orekoya, in the United States District Court for the District of Columbia. In that case, a federal grand jury returned a fourteen-count indictment charging Gillis, 42, a licensed real estate appraiser and purported real estate investor in the District of Columbia, and Orekoya, 40, a licensed real estate agent and independent loan processor for mortgage brokers, with conspiracy and multiple counts of bank, mail, and wire fraud for their leadership roles in an elaborate, years-long mortgage fraud scheme

According to the indictment, from 2003 to 2009, the defendants and their co-conspirators targeted numerous D.C.-area homes for quick resales (called “flips”) at fraudulently inflated prices.

Pursuant to the scheme, Gillis recruited others to act as “straw buyers” of the properties. The straw buyers submitted loan applications to Orekoya, who inputted false information on the loan applications (typically inflating the straw buyers’ assets and income) and submitted them to mortgage lenders, including banks. Meanwhile, Gillis also generated fraudulent appraisals which falsely inflated the value of the properties (in reality, the properties were often in poor condition). The properties were then quickly resold (or “flipped”) to new straw buyers at increasing prices supported by the inflated appraisals. The mortgage fraud scheme netted Gillis, Orekoya, and their co-conspirators over \$1 million in illegal proceeds and caused the lending institutions to lose over \$2.3 million. If convicted, the defendants face decades of imprisonment and fines in excess of \$1,000,000. In addition, the United States is pursuing, through criminal forfeiture, a money judgment of over \$1,000,000 against the defendants, as well as a house owned by Gillis in Georgia.

United States v. Renaldo D. Gillis & Afolasade Orekoya is but one of several mortgage fraud investigations currently being handled by the task force and U.S. Attorney’s Office for the District of Columbia.

The charges contained in the indictment are merely allegations. The defendants are presumed innocent until and unless found guilty in a court of law.

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